

Message Text

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ORIGIN EB-11

INFO OCT-01 EUR-25 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01 /178 R

DRAFTED BY EB/OFP/FPD:RSSIMPSON/LS-USDA/FAS:GWANAMAKER

APPROVED BY EB/OFP/FPD:MPBOERNER

L/EB-DBURNS

EUR/SPP-JSMITH

USDA/FAS-RMCCONNELL

COMMERCE-DSCHLECTY (INFO)

STR-HWILLIAMS

EB/TA-JCRAWFORD

TREASURY-WBARREDA (SUBS)

----- 029084

P 042049Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY MADRID PRIORITY

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E.O. 11652: N/A

TAGS: EAGR, ETRD

SUBJECT: SOYBEANS

REF: MADRID TOFAS 165

1. FROM REFTEL IT WOULD APPEAR THAT GOS HAS MADE DECISION
COLLECT FROM SOYBEAN CRUSHERS "REBATE" EQUAL TO TOTAL
DIFFERENCE BETWEEN SOYBEAN IMPORTCOST-PLUS-CRUSHING
ALLOWANCE AND 20 PESETA DOMESTIC PRICE. IF REBATE IS NOT
COLLECTED ON SALES OF MEAL MADE FROM DOMESTIC BEANS, THIS
WOULD APPEAR REPRESENT A FORM OF INDIRECT TAX OR CHARGE
ON IMPORTED PRODUCTS IN VIOLATION OF GATT ARTICLE III.
IN EFFECT, COLLECTION OF VARIABLE LEVY WOULD BE TRANSFERRED

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FROM CUSTOMS AUTHORITY TO CRUSHERS.

2. IN ANY EVENT, SINCE EFFECT OF REBATE IS TO NULLIFY ADVANTAGES OF TARIFF BINDING, REBATE WOULD APPEAR TO VIOLATE GATT ART. II. BASED ON CURRENT MARKET PRICES AND PERMITTING CRUSHERS 50 DOLS. PER TON PROCESSING MARGIN, GOS COULD EXPECT COLLECT APPROX- 15 MILLION DOLS. ON 300,000 TONS SOYBEANS LICENSED FOR IMPORT DEC. - JAN. 1973-74. THIS 15 MILLION DOLS. WOULD NOT, RPT. NOT, INCLUDE ANY REVENUE FROM VARIABLE LEVY OR OTHER INTERNAL TAXES. BY ITSELF, IT WOULD AMOUNT TO ROUGHLY 20 PERCENT OF THE VALUE OF SOYBEAN IMPORTS DURING THIS PERIOD (EQUIVALENT TO A 20 PER CENT AD VALOREM TAX).

3. EMBASSY INSTRUCTED IMMEDIATELY SEEK GOS CONFIRMATION OR DENIAL OF TRADE REPORT QUOTED REFTEL CONCERNING THIS REBATE SYSTEM. NEED REPLY BY NO LATER THAN COB DECEMBER 5. KISSINGER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, SOYBEANS, IMPORT RECEIPTS, TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Original Handling Restrictions: n/a
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Review Authority: garlanwa
Review Comment: n/a
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Status: NATIVE
Subject: SOYBEANS
TAGS: EAGR, ETRD
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Type: TE
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